

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION)	
OF PACIFIC POWER & LIGHT COMPANY)	UTILITY DIVISION
FOR AN ORDER AUTHORIZING IT TO)	DOCKET NO. 82.10.67
ISSUE AND SELL NOT MORE THAN)	SUPPLEMENTAL DEFAULT
5,000,000 SHARES OF ITS COMMON)	ORDER NO. 4942a
STOCK.)	

On October 18, 1982, Pacific Power & Light Company (Pacific) filed its verified application pursuant to jurisdiction granted by Sections 69-3-501 through 69-3-507, MCA, requesting an order authorizing it to issue and sell not more than 5,000,000 shares of its common stock in one or more offerings by March 9, 1983. On November 1, 1982, the Commission granted the application by Default Order No. 4942.

On December 8, 1982, Pacific issued 3,175,000 shares of common stock pursuant to the authority granted in the matter. As a result of offering more shares than originally expected in its initial offering and of continuing favorable market conditions, Pacific determined to delay its next common stock offering until mid-1983. Pacific now expects to issue between 2,000,000 and 3,000,000 shares in its next offering.

On March 14, 1983, Pacific filed a letter amendment to its application requesting revised authority to:

1. Extend the authority expiration date from March 9, 1983 to September 1, 1983.

2. Increase the number of shares authorized from not more than 5,000,000 to not more than 6,175,000.

Pacific also requests a revision in the caption of the matter to reflect the greater number of shares authorized.

At a regular open session of the Montana Public Service Commission, held in its office at 1227 Eleventh Avenue, Helena, Montana 59620, on April , 1983, there came before the Commission for final action the matters in Docket No. 82.10.67 and the Commission, having fully considered the letter amendment to the application and all data and records pertaining to it on file with the Commission and being fully advised in the premises, makes the following:

FINDINGS

1. Pacific proposes to issue not more than 6,175,000 shares of its common stock in two offerings until September 1, 1983. It also proposes to revise the caption in this matter to reflect the changed authority.

2. On December 8, 1982, Pacific issued 3,175,000 shares of its common stock in its initial offering in this docket.

3. Pacific believes that the underwriting terms it obtained for its initial offering were extremely favorable. It believes its next offering will continue those terms unchanged (except for market price). Therefore, Pacific believes it appropriate to make its next offering of additional shares in this docket as originally planned.

4. The terms of the next offering are expected to be as follows:

- a. Total underwriters' compensation will be 2.00 to 2.60% of the offering price if the offering price is at the latest market price or the latest market price plus \$0.125.
- b. Total underwriters' compensation will be 2.00 to 2.85% of the offering price if the offering price is at the latest market price plus \$0.25.
- c. Institutional sales, to the extent determinable, would be done at a selling concession of 12.5¢ per share and the overall underwriters' compensation reduced accordingly.

The management portion of underwriters' compensation will be approximately 5% of total underwriters compensation as adjusted in e below but will not be less than 2¢ per share.

- e. Compensation components will be rounded up to the nearest \$.01.
- f. The co-managers would remain the same.

7. The augmented authority requested will allow Pacific to issue and sell not more than 3,000,000 additional shares of common stock in a second and final offering in this matter.

8. Pacific believes the change in authority is both warranted and in the public interest as it not only will

allow the sale of the additional shares at a price near recorded (or book) value but also will allow Pacific to continue its efforts to enhance its common equity ratio at minimal underwriting expense for maximum net proceeds under expected favorable market conditions.

CONCLUSIONS

1. The Commission has jurisdiction over the parties and proceedings in this matter.
2. The amendment to the application should be approved.

ORDER

IT IS THEREFORE ORDERED that:

1. The application of Pacific Power & Light Company, filed with the Commission on October 18, 1982 and amended on March 14, 1983, for authority to issue and sell not more than 6,175,000 shares of its common stock in two offerings until September 1, 1983 is granted.

2. Pacific Power & Light Company's request to alter the caption in this docket to reflect the increased authority approved in the preceding paragraph is granted. The revised caption for the matter shall be:

IN THE MATTER OF THE APPLICATION
OF PACIFIC POWER & LIGHT COMPANY
FOR AN ORDER AUTHORIZING IT TO
ISSUE AND SELL NOT MORE THAN
6,175,000 SHARES OF ITS COMMON
STOCK.

3. Pacific Power & Light Company shall file a verified copy of the following documents for its second offering as they become available:

- a. The Underwriting Agreement.
- b. The SEC Registration Statement.
- c. The resolutions of its board of directors or the board's Finance Committee approving the next offering.
- d. The "Report of Securities Issued" required by 18 CFR 34.10.
- e. A statement showing the disposition of the issuance proceeds in reasonable detail.

4. Except as specifically altered by this order, Default Order No. 4942 shall remain operative.

5. Approval of the proposed transactions does not constitute agency determination of any related ratemaking issues which issues are specifically reserved until the appropriate proceeding.

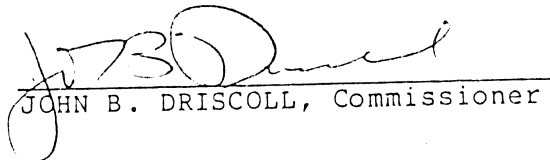
6. This order shall be effective upon execution.

DONE IN OPEN SESSION at Helena, Montana, this 28 day of March, 1983, by a 5 to 0 vote.

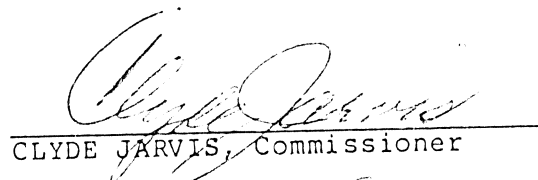
DOCKET NO. 82.10.67, SUPPLEMENTAL DEFAULT ORDER NO. 4942a

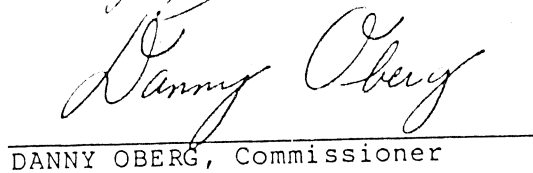
BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.


THOMAS J. SCHNEIDER, Chairman



JOHN B. DRISCOLL, Commissioner


HOWARD L. ELLIS, Commissioner


CLYDE JARVIS, Commissioner


DANNY OBERG, Commissioner

ATTEST:


Madeline L. Cottrill
Secretary

(SEAL)

NOTICE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.